CA UIC Program Status Update:

The State continues to follow the Corrective Action Plan put in place by EPA in March 2015. The States progress has followed the 3 key components of the plan to return to compliance 1) addressing injection wells which were permitted but did not have EPA approved aquifer exemptions, 2) making sure that supply wells are not impacted during the period that the State addressed non-compliant injection wells and 3) technical improvements to the permitting process for future projects:

- * Injection wells which were permitted but did not have EPA approved aquifer exemptions; The State has promulgated emergency regulations to establish the enforceable compliance deadlines for wells injecting into non-exempt aquifers consistent with the March 2015 Corrective Action Plan. EPA expects that the State will be requesting a significant number of aquifer exemptions for injection formations that meet federal exemption criteria; to date, the State has not submitted any packages for EPA review, however, one exemption package (Arroyo Grande oil field) is currently out for public notice and several others are under review by DOGGR and the State Board. Under the plan, the State has evaluated a subset of 11 aquifers historically treated as exempt and found that 5 of these aquifers have no active injection and one of the aquifers is not a USDW (TDS level higher than 10,000 ppm). The aquifers historically treated as exempt do not meet exemption criteria, however, the State continues to seek any additional current data from operators prior to making a final determination on these aquifers.
- * Making sure that water supply wells are not impacted; The State has completed preliminary review of more than 5,000 injection wells to ensure that existing injection operations are not adversely impacting water supply wells (shut in about 2 dozen wells based on the review); this effort is ongoing as the State continues to issue information collection orders to operators and will shut in wells as warranted.
- * Technical improvements to the permitting process for future projects; The State submitted a Plan for Class II Improvements with details about their ongoing internal assessments, proposed regulatory efforts, organizational shifts, and securing of additional resources for staff and data management needs. A key component of their Plan is a systematic project-by-project review of roughly 3,000 approved projects to ensure state-wide compliance. The Plan also includes a 2-phase rulemaking effort to address a number of program issues identified by EPA and others, and to ensure the state's UIC program standards adequately address current oilfield practices. The State has scheduled several rulemaking public workshops in September 2015.

September 2015